

## Program B: Marketing

Program Authorization: R.S. 36:4; 36:301; 51:1252

### PROGRAM DESCRIPTION

The Marketing Program provides advertising for the tourist assets of the state of Louisiana. This program's mission is to design, produce and distribute advertising materials in all media. The program attempts to reach as many potential tourists as possible in the state, in the nation and in the world with an invitation to visit Louisiana. The goals of the program are to increase the number of visitors to Louisiana and to increase cooperation among Louisiana travel industry partners. There are two activities in this program: Marketing, and Advertising Contract.

### OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables**

1. (KEY) To ensure the number of visitors to Louisiana is at least 26.8 million and the direct economic impact of those visitors increases to \$8.5 billion.

Strategic Link: To increase the number of visitors to Louisiana by 15% from 1998 to 2003.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Dollars spent by visitors to state (Billions) <sup>1</sup>	\$7.4	\$7.8	\$7.4	\$7.4	\$8.5	\$8.5
K	Number of visitors to state (Millions) <sup>1</sup>	27.4	24.2	27.0	27.0 <sup>2</sup>	26.8	26.8
S	Number of foreign visitors to state <sup>1</sup>	Not applicable <sup>3</sup>	500,000	525,000	525,000	530,000	530,000
S	State taxes collected from visitor spending (Millions) <sup>1</sup>	\$312.0	\$338.9	\$340.7	\$340.7	\$371.4	\$371.4

<sup>1</sup> Data are for calendar years 1998,1999, and 2000.

<sup>2</sup> The program now projects this figure to be between 25.5 and 26.0 million.

<sup>3</sup> This indicator was not adopted as a standard in the year indicated.

2. (KEY) To increase the effectiveness of the state's tourism marketing effort as indicated by an increase in the average spending by travelers influenced by advertising to \$1,550 and by establishing visitor spending per advertisement dollar at \$79.

Strategic Link: To increase the amount of mail and Internet inquiries received by the Office of Tourism by at least 5% annually.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Average spending per visit by travelers influenced by advertising	Not applicable <sup>1</sup>	\$1,409	\$1,270	\$1,270	\$1,550	\$1,550
K	Visitor spending per advertisement dollar	\$87	\$75	\$90	\$90	\$79	\$79
S	Number of times internet site accessed <sup>2</sup>	Not applicable <sup>1</sup>	1,135,876	1,580,000	1,580,000	2,000,000	2,000,000
S	Number of requests for hardcopy travel information <sup>2</sup>	Not applicable <sup>1</sup>	832,102	1,150,000	1,150,000	625,000	625,000

<sup>1</sup> This indicator was not adopted as a standard in the year indicated.

<sup>2</sup> Requests for information are received by mail, telephone and the internet. All of the information provided in hardcopy is also available on the internet site. The decline in the number of hardcopy requests is attributable to the increased use of the internet site. This trend will probably continue for the next several years.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$183,000	\$183,000	\$0	\$0	(\$183,000)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	12,184,563	11,890,617	11,890,617	11,563,793	11,684,121	(206,496)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$12,184,563</u></u>	<u><u>\$12,073,617</u></u>	<u><u>\$12,073,617</u></u>	<u><u>\$11,563,793</u></u>	<u><u>\$11,684,121</u></u>	<u><u>(\$389,496)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$325,589	\$354,036	\$354,036	\$356,371	\$418,034	\$63,998
Other Compensation	14,182	31,351	31,351	30,190	31,351	0
Related Benefits	55,834	61,401	61,401	66,736	74,667	13,266
Total Operating Expenses	3,203,997	2,934,959	2,934,959	2,601,626	2,703,626	(231,333)
Professional Services	8,570,466	8,508,870	8,508,870	8,508,870	8,456,443	(52,427)
Total Other Charges	0	183,000	183,000	0	0	(183,000)
Total Acq. & Major Repairs	14,495	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$12,184,563</u></u>	<u><u>\$12,073,617</u></u>	<u><u>\$12,073,617</u></u>	<u><u>\$11,563,793</u></u>	<u><u>\$11,684,121</u></u>	<u><u>(\$389,496)</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	10	10	10	10	12	2
Unclassified	0	0	0	0	0	0
TOTAL	<u><u>10</u></u>	<u><u>10</u></u>	<u><u>10</u></u>	<u><u>10</u></u>	<u><u>12</u></u>	<u><u>2</u></u>

## SOURCE OF FUNDING

This program is funded with Fees and Self-generated Revenues which are derived from the Louisiana Tourism Promotion District. Act 1038 of the 1990 Regular Session of the Legislature created the Louisiana Tourism Promotion District which receives 3/100 of 1 cent of the sales and use tax. These proceeds are then transferred to the Office of Tourism for out-of-state advertising, and promoting tourism in Louisiana.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$183,000</b>	<b>\$12,073,617</b>	<b>10</b>	<b>ACT 10 FISCAL YEAR 1999-2000</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$183,000</b>	<b>\$12,073,617</b>	<b>10</b>	<b>EXISTING OPERATING BUDGET – December 3, 1999</b>
\$0	\$13,857	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$4,803	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$8,324)	0	Attrition Adjustment
\$0	(\$31,651)	0	Salary Funding from Other Line Items
(\$183,000)	(\$183,000)	0	Other Non-Recurring Adjustments - cooperative Endeavor Agreement with the Great New Orleans sports Foundation for financial sponsorship to the 1999 B.A.S.S. Masters Classic fishing tournament at Bayou Segnette State Park.
\$0	(\$333,333)	0	Other Non-Recurring Adjustments - Third and final year of funding a cooperative endeavor agreement with Greater Washington Educational Television Authority (GWETA/WETA) for "The Jazz Film Project, Inc."
\$0	(\$20,257)	0	Reduce Fees and Self-generated Revenues and the advertising contract to keep the Office of Tourism within the \$16M cap
\$0	\$168,409	2	Other Technical Adjustments - transfer in a Secretary 2 position and promotional endeavors from the Administration Program and a transfer of a Marketing Specialist 2 position from the Consumer Information Services Program.
<b>\$0</b>	<b>\$11,684,121</b>	<b>12</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$0</b>	<b>\$11,684,121</b>	<b>12</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:</b>
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL</b>

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$0</b>	<b>\$11,684,121</b>	<b>12</b>	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 96.8% of the existing operating budget. It represents 95.5% of the total request (\$12,232,202) for this program. The 3.2% decrease from the existing operating budget is due to attrition, salary funding from other line items, reducing the ad contract to keep the Office of Tourism within the 16M cap, and the nonrecurring adjustment for the third and final year of funding a cooperative endeavor with the Greater Washington Educational Television Authority for "The Jazz Film Project, Inc.". This program does not have any positions that have been vacant for 1 year or more.

### PROFESSIONAL SERVICES

\$8,456,443	Peter A. Mayer Advertising, Inc. - Advertising and public relations services including design and placement of print and electronic ads in media both domestic and international; design and production of promotional brochures, as well as coordination of telemarketing services, and publicity with Louisiana Broadcasters Association and the Louisiana Press Association
<b>\$8,456,443</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

### OTHER CHARGES

This program does not have funding for Other Charges for Fiscal Year 2000-2001.

### ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2000-2001.